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SUBJECT: SECOND TRANSPORT STRIKE HAS MOROCCANS ON EDGE

REF: Rabat 00492

11. (SBU) Summary: As Morocco enters the fourth day of its second transportation strike in less than a month, the country's citizens, economy, and government are paying a significant and growing price. The strike, initiated by a group of 46 taxi drivers unions and associations, was initially to last 48 hours beginning Tuesday, April

13. One day into the strike, however, with no headway made between the driver representatives and the Ministry of Transportation, the associations extended the strike another 48 hours. The action, launched in protest against the pending government legislation to stiffen penalties for driving violations, was an extension of the March 11 transportation strike undertaken by transportation workers represented by two larger unions, the Union of Professional Federations (SUFP) and the Committee of Moroccan Workers (COM). (reftel) As the current strike plows on, the impact is again affecting the Moroccan economy. Gas shortages and increased food costs are stirring some resentment towards what the public perceives is a government insensitive to the hardships of the working class.

12. (U) Casablanca's port has been functioning with limitations and under police protection. Morocco's agricultural sector has reported heavy losses mid-week as loaded delivery trucks were intercepted by strikers. There have been isolated reports of violence against those who choose to work. Taxi drivers have been pulled from their vehicles and beaten and there have been reports of attacks against busses and trucks. As of Friday, it appears that the strikes may be easing up as a few taxis can be seen in and around Rabat and Casablanca. The Prime Minister is now engaged and has agreed to speak with drivers representatives early next week, as negotiations with the Minister of Transport Karim Ghellab continue throughout the weekend. End Summary

13. (SBU) The impact of the second transportation strike, of urban and long distance taxi drivers in cities around Morocco, has been significant. The action, launched by a group of 46 taxi drivers' unions and associations, large and miniscule, has been disrupting the country. Initially, the strike called for a 48-hour work stoppage beginning on Tuesday April 3. Partway into the second day, the strike was extended for a second 48 hours due to stalled negotiations.

14. (SBU) The large number of organizations involved, internal struggles, leadership instability, and most importantly lack of consensus among the unions themselves at the desired outcome, is making a quick solution impossible. Is shelving of the proposed harsher driving code, or simply amending the fines and penalties, the desired outcome? Even the largest Moroccan unions involved in this action are at odds. At exactly the same time the Democratic Confederation of Workers (CDT) announced that the strike was suspended because the Prime Minister had agreed to a meeting on April 9, the Moroccan Workers Union (UMT) announced that the strike would

continue and threatened to bring other sectors into the action.

15. (SBU) This lack of consensus seems to be causing a breakdown in the unity of the strikers. Friday morning, on the streets of Casablanca, taxis with passengers were spotted for the first time in nearly four days. When asked if the strike was over, the driver responded "half and half." He said he was told that negotiations are underway and a solution is imminent. However, at the same time only a handful of drivers were seen on the streets at all. We have heard reports of gouging by underground taxis this week. One Consulate employee was told a trip that normally costs 10 Moroccan dirham would cost him 100 dirham. Despite the fact that many Moroccans cannot afford to pay these fees and have been walking to work or taking the infrequent city busses, many others have been unable to get to their places of employment at all. The problem with the lack of taxis has been somewhat mitigated since this is Moroccan school vacation week and there are fewer people traveling. Some speculate this is the reason the taxi drivers decided to hold their strike this week as opposed to participating for more than one day in the March 11-15 strike.

16. (SBU) The potential repercussions of the strike could be serious. Representatives of the Association of the Producers and Exporters of Fruits and Vegetables, while personally supportive of the action against the new driving code, are experiencing serious problems. The association claims that in addition to attacks on their drivers, their trucks, loaded with local produce from the Agadir region, are being intercepted by strikers and held at depots near Agadir where the produce is going to rot. The losses of the goods, on their way to the port of Casablanca for shipment to Europe and for local distribution, are said to be close to 50 million dirham each day. Moreover, a dramatic increase in the price of produce that is finding its way to domestic markets is causing anxiety.

17. (SBU) There are varying degrees of impact around the country. We have reports that taxis and trucks were running as usual in Tangier where the only impact may be a slight increase in produce prices. Marrakech, on the other hand may be feeling the impact. As Morocco's most popular tourist destination, the lack of taxis in the city has the potential for significant financial damage. There were also reports on Thursday of a possible gas shortage at the Marrakech airport if the situation did not ease up soon to allow more gas deliveries.

17. (SBU) There is a genuine fear on the part of the government that if the strike continues much longer the rising cost of staples could prove more damaging to the economy. Friday, Casablangans have experienced a doubling or even tripling of prices in the local markets. Morocco has a history of riots over food prices and the GOM is well aware of this factor in the background. The Prime Minister is himself now involved. There is speculation that he canceled an official trip to Romania to avert the impending fallout from the strike and to meet with the union representatives on Monday, April 9. This very public high level interest may be soothing the ruffled feathers of the striking drivers encouraging more to return to work.

18. (SBU) Comment: Without a doubt, the strike is causing growing difficulties for Moroccans. Despite that fact, however, there seems to be some public support for the strikers. There is a public perception that the GOM does not fully appreciate the challenges in the life of the average Moroccan. Many believe that unemployment, underemployment, lack of adequate housing, and everyday hardships experienced by Moroccans, in the view of many, should be address ahead of an issue like the new traffic code. End Comment

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